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PETROLEUM AND NATURAL GAS REGULATORY BOARD

1st Floor, World trade Centre, Barakhamba Road, Babar Lane, New Delhi
Tel No: 011- 23457700/23457744/23457751

No. Infra/PL/New/17/CJHPL/GAIL/01/10 Dated: 13th December, 2010

To
Chairman & Managing Director,
M/s GAIL (India) Limited,
16, Bhikaji Gama Place,
R. K. Puram, New Delhi - 110066

Subject: Final Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Chainsa-Jhajjar-Hissar Natural Gas Pipeline Network of GAIL as common carrier pipeline network under regulation 17(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas pipelines) Regulations, 2008.

Reference:

(i) Your application dated 04.12.08 seeking acceptance of Central Government authorization for Chainsa-Jhajjar-Hissar pipeline system vide Letter no. GAIL/ND/CA/PNGRB/2007.
(ii) Provisional T&C issued by PNGRB vide letter no. Infra/PL/New/17/CJHPL/GAIL/01/09 dated 30.11.09.
(iii) Your letter nos. GAIL/ND/RC./PNGRB/44/1180 dated 06.05.2009 & GAIL/ND/RC./PNGRB/168 dated 05.07.2010 regarding details of the pipeline.
(iv) Your letter no. GAIL/ND/RC./PNGRB/183 dated 03.09.2010 submitting Performance Bond.

Sir,

This is in response to your application dated 04.12.2008 referred to above for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding Chainsa-Jhajjar-Hissar natural gas pipeline network.

2. To substantiate your claim for authorization from the Central Government for the said pipeline project, you had furnished documents like MoP&NG's authorization letter (Ref. No. L-14014/49/'06-GP) dated 06.07.2007 and copy of the EOI published in the newspaper for capacity booking. Considering your submissions, the Petroleum and Natural gas Regulatory Board finally accepts the information submitted by you under Regulation 17(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas pipelines) Regulations, 2008. Further on the basis of the submissions made, the following terms and conditions have been finalised by the Petroleum and Natural gas Regulatory Board which shall be applicable during the construction as well as operative phase of the said pipeline systems:

3. **Natural Gas Pipeline System:**

Part-(A):

Chainsa-Jhajjar-Hissar Natural Gas Pipeline (CJHPL) (including spur lines connected to CJHPL)

The capacity of Chainsa-Jhajjar-Hissar (including spur lines connected to CJHPL) natural gas pipeline system, length approx. 455 kms, diameter ranging from 4 inches to 36 inches (details enclosed as Annexe-I), is equal to 35 MMSCMD* (at a design pressure of 99.93 kg/cm2g) as indicated by GAIL. The Board has decided to declare the CJHPL natural gas pipeline system as common carrier with common carrier capacity of 8.75 MMSCMD* .

Note: [*- This capacity is accepted as provisional and the final capacity shall be determined as per the Petroleum and Natural Gas Regulatory Board (Determining capacity of Petroleum, Petroleum products and Natural Gas Pipeline) Regulations, 2010].

Part-(B):

The route of Chainsa-Jhajjar-Hissar Natural Gas Pipeline shall be through the districts of Faridabad, Gurgaon, Jhajjar, Rohtak, Hissar & Alwar with spur-lines to Bamnauli, Dharuhera, Chopanki, Bhiwadi, Khushkhera, Neemrana, Manesar and Khandsa.

4. Your attention is also drawn to the provisions contained in the PNGRB (Guiding Principles for Declaring or Authorizing Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009 to create common carrier capacity as and when required.
5. The entity shall complete the activities of laying, building, or expansion activities of natural gas pipeline and commission the natural gas pipeline project by January 2011. Any failure on the part of entity to comply with the targets prescribed in the time schedule shall lead to consequence as per relevant provisions of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations 2008.
6. The authorized entity shall be required to take prior approval from the Board for creation of any lien or charge or hypothecation on the assets of the pipeline to secure finances for the project and furnish details of utilization of funds.
7. The entity shall publish on its website the approved tariffs and other details as required under various regulations for the natural gas pipeline.
8. In case the authorization of the entity is terminated, the Board may assign the rights and obligations to any agency or another entity on such terms and conditions, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the natural gas pipeline at the same level till another agency or entity appointed by the Board takes over the full control of the natural gas pipeline.
9. The entity shall comply with the provisions under-

   a. the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand natural gas pipelines) Regulations, 2008;

b. the Petroleum and Natural Gas Regulatory Board (Determination of natural gas pipeline Tariff) Regulations, 2008;

c. the Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorizing Natural Gas Pipeline as Common Carrier or Contract Carrier)Regulations, 2009

d. the Petroleum and Natural Gas Regulatory Board(Technical Standards and Specifications including Safety Standards for Natural Gas Pipelines), Regulations, 2009;

e. the Petroleum and Natural Gas Regulatory Board (Access code for common carrier or contract carrier natural gas pipelines) Regulations, 2008;

f. the Petroleum and Natural Gas Regulatory Board (Affiliate code of conduct for entities engaged in marketing of natural gas and laying, building, operating or expanding natural gas pipeline) Regulations, 2008;

g. the Petroleum and Natural Gas Regulatory Board (Determining capacity of Petroleum, Petroleum products and Natural Gas Pipeline) Regulations, 2010

h. the PNGRB Act and any other regulations notified by the Board from time to time , as may be applicable.

10. The entity shall comply with any other term or condition which may be notified by the Board in public interest, from time to time.

11. You are requested to confirm your acceptance in the space provided below and return the same in original.

Yours Faithfully,

Dated: 13/12/10

Secretary, PNGRB
Official Seal

Copy to: Joint Secretary (M)
Ministry of Petroleum & Natural Gas
Shastri Bhavan,
New Delhi-110001

Acceptance of Terms and Conditions

I / We hereby agree to the terms and conditions issued by the Board vide letter ref. <_____ > dated <_____> and agree to comply with the same subject to which I / We have been issued acceptance letter for laying, building, operating or expanding natural gas pipeline along the route

from the originating station <_____> in the State or the Union Territory of <_____> to the terminating station <_____> in the State or the Union Territory of <_____>.

Date:
Place:

Signature of the Entity or Authorized Signatory
Name and Official Seal

ANNEX-1

CHAINSA-JHAJJAR-HISSAR NATURAL GAS PIPELINE

S/N	Details	Length (Kms)
1	**Trunk Line** (i) Chainsa-Hayatpur-Sultanpur-Jhajjar (36") (ii) Jhajjar-Hissar (20") (iii) Sultanpur-Neemrana (18")	 86 118 86 --- **TOTAL: 290 Kms (approx.)**
2	**Spurlines** (i) Spur-line to Bamnouli (16") (ii) Hayatpur-Manesar (10") (iii) Hayatpur-Gurgaon (10") (iv) Dharuhera-Chopanki (12") (v) Last Mile Connectivity to Dharuhera, Bhiwadi, Khushkhera, Neemrana, Manesar, Khandsa and Gurgaon Industrial Area consumers (8"-4")	 18 6 11 14 116 --- **TOTAL: 165 Kms (approx.)**
	TOTAL PIPELINE NETWORK	**455 kMS**